

Employment Rights Bill – Update – July 2025

The government has issued details of the expected “go-live” dates for some of the measures set out in the Employment Rights Bill. Do bear in mind that the Bill is still working its way through the Parliamentary process and there are secondary regulations that still need to be implemented, so these timescales are not set in stone!

Phase 1 – As soon as the Bill becomes an Act of Parliament, expected September / October 2025:

- Repeal of the Strikes (Minimum Service Levels) Act 2023. This Act allowed the government to introduce minimum staffing levels during strikes in specific sectors (health, education, emergency services etc). Its repeal will mean that the government can no longer intervene in strike action to require a certain minimum cover.
- Repeal of (most of) the Trade Union Act 2016. This Act curtailed trade union powers and imposed restrictions and hurdles when considering industrial action. The repeal (of most of the Act) will allow for increased trade union activity and reduce barriers to industrial action.
- New protection for employees against dismissal for participating in industrial action.
- Other trade union-related measures: removing the 10 year ballot requirement for trade union political funds and simplifying industrial action notices and industrial action ballot notices.

Phase 2 – April 2026:

- Umbrella company non-compliance: while not part of the ERB, 6th April 2026 is the go-live date for changes to the law relating to PAYE liability when recruitment agencies or end users engage workers via an umbrella company. Draft legislation is expected later this month. For more information, please see one of my previous briefings [here](#) (point number 4).
- Statutory Sick Pay: Applies to employees and agency workers. SSP becomes payable from Day 1 of employment (or temporary assignment) & those earning under the Lower Earnings Limit will be entitled to receive SSP at 80% of regular earnings.
- Paternity Leave: Applies to employees and agency workers. Becomes a Day 1 right (no qualifying period); however the entitlement to Statutory Paternity Pay will still require a 26 week qualifying period.
- Parental Leave (unpaid): Applies to employees and agency workers. Becomes a Day 1 right (no qualifying period). Parental leave (not to be confused with “shared parental

leave”) leave entitles each parent to take 18 weeks’ unpaid leave per child (up to 18 years of age).

- Fair Work Agency established to monitor and enforce all types of employment rights, for employees and agency workers. FWA will replace Employment Agency Standards Inspectorate and Gangmaster Licensing Agency.
- Whistleblowing protections extended to those reporting sexual harassment.
- Collective redundancy protective award to be increased. Employers who fail to comply with their legal obligations to consult on collective redundancies can be “fined”, by way of having to pay additional compensation, up to a maximum of 180 days of gross pay per affected employee.
- Additional trade union measures including simplifying trade union recognition process and electronic and workplace balloting.

Phase 3 – October 2026:

- “Fire & Re-Hire” changes: Dismissal of employees if they do not agree to a variation of their employment contract will become automatically unfair unless the employer faces serious financial hardship. The government will release a consultation on this in Autumn 2025.
- Harassment laws: Applies to employees and agency workers. (1) Employers will be required to take “all reasonable steps” to prevent sexual harassment of their employees / agency workers; and (2) Employers must not permit any type of harassment of their employees / agency workers by third parties, and/or in any work environment.
- Employment tribunals: Time limit for bringing a claim to increases to 6 months (currently 3 months).
- Other provisions: (1) Establishment of the Fair Pay Agreement Adult Social Care Negotiating Body; (2) Tipping: employers must consult with workers when changing their tipping policies; (3) Outsourced public contracts: ensuring employees transferred from public sector to private sector are treated no less favourably than their public sector counterparts.
- Additional trade union measures including a duty on employers to inform employees and workers of their right to join a union; new rights and protections for trade union reps; extending protections against detriments for taking industrial action; strengthening trade unions’ right of access.

Phase 4 – 2027 (and beyond?):

- Unfair dismissal: Applies only to employees (we believe). The right to claim unfair dismissal becomes a “Day 1” right (with the ability to make use of a probation period). More details to come when the government consults on this measure later this year.
- Zero-hour contracts: Legal obligation to offer employees and agency workers a guaranteed number of hours after a certain period (expected to be 12 weeks). More details of how this affects agencies and agency workers is available in a previous update [here](#) (see point 1), but further information and a consultation will be released later this year.
- Umbrella company regulation: bringing umbrella companies within scope of the Conduct Regulations and under the remit of the Fair Work Agency.
- Enhanced dismissal protections for pregnant women and new mothers. More detail to be released during a public consultation later this year.
- Extending blacklisting protections to self-employed contractors.
- Further harassment protections and guidance.
- Gender pay gap and menopause action plans to become mandatory (voluntary from April 2026).
- Introduction of statutory bereavement leave. More detail to be released during a public consultation later this year.
- Improved access to flexible working arrangements, including the right to request flexible working from Day 1. More detail to be released during a public consultation later this year.
- Changes to the collective redundancy threshold. More detail to be released during a public consultation later this year.

Consultations

The government has also confirmed it intends to issue consultations on some of the more complex measures in the Bill before the end of 2025 (there are a lot!)

- Changes to zero hours contracts as they apply to employees and agency workers
- Regulation of umbrella companies
- Unfair dismissal protection from Day 1 of employment
- Additional pregnancy rights and protections
- Restrictions on dismissal for failing to agree a change to terms and conditions of employment (“Fire and rehire”)
- Collective redundancy procedures
- Flexible working rights
- Reinstating the School Support Staff Negotiating Body
- Fair Pay Agreement for Adult Social Care sector

- Bereavement Leave
- Trade union-related measures
- Tipping laws

If the measures being consulted on will have a significant impact on your business, please take the time to respond to the consultations when they are issued. All public consultations are released on this website: <https://www.gov.uk/search/policy-papers-and-consultations>. You can filter using the “Work” topic to make the page easier to navigate.

As always, feel free to contact me on bernie@labvolution.com if you would like any additional information or support on any of the areas covered in this update.